

Conflict Studies Research Centre



**Russia After
The
Presidential Election**

Dr Mark A Smith

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Key Points

- Putin totally dominates the political system. He faces no obvious rival for the presidency or any significant parliamentary opposition. Big business is unlikely to challenge him. The system is becoming increasingly authoritarian.
- The new prime minister (Mikhail Fradkov), is unlikely to challenge Putin. He is a competent economic administrator.
- The new government structure reduces the number of ministries by 17, to 14.
- The government will continue market oriented economic reforms, aiming to join the World Trade Organisation.
- Key personnel appointments: former foreign minister Igor Ivanov becomes secretary of the Security Council, to raise its profile in the policy-making process. The new foreign minister is Russia's UN Ambassador Sergey Lavrov. The main foreign policy lines are unlikely to change.
- In 2008 Putin is due to step down as president. He may seek a constitutional fudge to secure a third term, or appoint a "successor" as prime minister, possibly the current defence minister Sergey Ivanov.

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The presidential elections of 14 March 2004 which resulted in the re-election of Vladimir Putin for his second four year term, confirmed his dominance of the Russian political system. There is no other figure who stands out as a serious rival to him. In his first four years in office, he succeeded in creating a political system that offers little in the way of opposition to the Kremlin. The Federation Council, the regional leaderships and the electronic media have been largely neutralised, and become compliant to the Putin leadership. The Yukos affair has made it clear to the business sector that it should avoid challenging Putin politically.

Presidential Election Results

Candidate	Votes	Votes (%)
Vladimir Putin	48,931,376	71.22
Nikolay Kharitonov	9,440,860	13.74
Sergey Glaz'yev	2,826,641	4.11
Irina Khakamada	2,644,644	3.80
Oleg Malyshkin	1,394,070	2.03
Sergey Mironov	518,893	0.76
Against All	2,77,768	3.46

The Russian Central Electoral Commission claimed a turnout of 64.3%.

The Duma elections of December 2003 produced a Duma whose pro-presidential majority is even stronger than the previous Duma elected in December 1999.

Duma Factions January 2004

Faction Name	No of Deputies	No of Deputies (%)
Yedinaya Rossiya	306	68.00
CPRF	52	11.56
Liberal Democratic Party	36	8.00
Rodina	38	8.44
Independents	15	3.33

Yedinaya Rossiya is a totally pro-Putin party. Rodina and the Liberal Democratic Party are likely to support Putin on most issues. Only the CPRF can be regarded as an opposition force, and its capacity to oppose Putin in the Duma is now extremely limited.

The political system is thus becoming increasingly mono-centric, one where checks on the power of the presidency have diminished in their effectiveness since Putin first came to power. It may well be much easier for the Kremlin to push through a constitutional amendment extending the presidential term now that both the Federation Council and Duma have strong pro-Putin majorities. Yet so far there is

no indication that they wish to do so. In February the Ivanovo legislative assembly submitted a bill to the Duma proposing extending the presidential term of office from four to seven years. It was however opposed by the Yedinaya Rossiya faction and rejected by the Duma.

The term *managed democracy* has been used to describe the Russian political system since at least 2000.¹ *Managed democracy* refers to a political system in which many of the formal institutions of democracy exist, but where the ruling elite will not permit itself to be defeated in any election. In that respect the system can be regarded as non-democratic and moving towards authoritarianism.

The presidential elections have been criticised by the OSCE and the US Administration as not being wholly fair. Opposition candidates had little access to the media. Putin refused to debate with the other candidates, and as a result he was under little pressure to justify his record in office, or to outline his plans for his second term in detail. There are reports that inducements were offered in various districts to encourage people to vote. The federal human rights ombudsman, Vladimir Lukin, has expressed scepticism about the near one hundred per cent turnout in some regions (which tend to have poor human rights records) and the fact that almost all voters in these regions voted for Putin.

The Putin leadership is aided by the fact that the Russian electorate appears to be content to accept Vladimir Putin's dominance of the political system. Putin does not have an electorate which is largely hostile to him, forcing him to try to fix the election results and then face popular discontent, as was the case with Slobodan Milosevic in Serbia in October 2000 and Eduard Shevardnadze in Georgia in November 2003.

The Development of the Political System

There is a belief among some Russian analysts that the nature of the Russian political system is changing, and that one can now talk about the emergence of Putinism. Boris Nemtsov and Vladimir Kara-Murza consider Russia under Putin to be a personalist authoritarian regime, and define Putinism as:

A one party system, censorship, a puppet parliament, ending of an independent judiciary, firm centralisation of power and finances, hypertrophied role of special services and bureaucracy, in particular in relation to business.²

They warn that stability in Russia is fragile, as it rests on the benefits that come from high oil prices, and on censorship of the electronic media.

Liliya Shevtsova also argues that Putin has moved to the creation of a new, more authoritarian regime, removing the last elements of the Yel'tsin team.³ She sees this as essential if Putin is to ensure that he can either nominate a "Putinite" successor at the end of his second term, or extend his rule beyond 2008. The Yel'tsinites have controlled the administrative and financial levers throughout Putin's first term and the St.Petersburg group, from which Putin originated, has controlled the power structures. She argues that Putin has found it necessary to remove the Yel'tsinites from the control of administrative and financial levers, a process that was completed by the December 2003 Duma elections. Russia has now moved from electoral autocracy to a bureaucratic-authoritarian regime, which

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she defines as a regime where political power is concentrated in the hands of a single leader, but administration is in the hands of the bureaucracy and power structures.

Putin's personal dominance of the political system does present him with dilemmas. More than ever before, "the buck stops with him", and it becomes less feasible for him to deflect blame on to the government or parliament when they are simply extensions of executive power. He may face pressure from elements of the Yel'tsin 'Family' and also from nationalist and populist movements who feel that he is too liberal and pro-western. Such pressure could also come from the power structures. This could lead, Shevtsova argues, to the creation of the basis for a more authoritarian political system and a more nationalist (*derzhavnik*) foreign policy. The existing liberals in the leadership, such as German Gref, Aleksey Kudrin, Dmitry Kozak and Dmitry Medvedev will be operating in an environment in which their influence is diminished.

The dismissal of Mikhail Kasyanov as prime minister on 24 February was unsurprising. Kasyanov was associated with the Yel'tsin 'Family', and his opposition to the Yukos affair in 2003 may have tarnished him in Putin's eyes. What is surprising is the timing. In most countries it is customary to carry out a personnel reshuffle after an election rather than before; to do so before the election would give the impression that the incumbent is arrogantly assuming re-election and this hubris might then be punished by the electorate. In Russia, however, the situation is different. Everyone knew that Putin would be re-elected. The reshuffle would appear to indicate Putin's desire to hit the ground running with a new team formed for the purpose of moulding Russia into the shape desired by the president over the next four years. The appointment of Mikhail Fradkov as prime minister reflects Putin's desire to have the premiership occupied by a relative nonentity who is unlikely to challenge the president. He is likely to be a competent economic administrator, and given his background in combating financial corruption in the Security Council and in the Tax Police (see biographical data in Appendix 2), he may be more reliable than Kasyanov in tackling the oligarchs should this prove necessary.

In the immediate future there is likely to be stability. Putin will not seek to transform the system or introduce radical reforms. Putin issued a decree on 9 March streamlining the structure of the government, which had become extremely bloated during the Yel'tsin period. The decree disbanded 13 federal ministries, two state committees, one federal commission, four federal services and four agencies. This leaves a total of 14 ministries. There is now one deputy prime minister instead of six. Aleksandr Zhukov has been appointed deputy prime minister. A list of the new government is at Appendix 1.

The Russian president will be in charge of the activities of five ministries, five federal services and two federal agencies. These are: the Ministry of Internal Affairs, the Emergencies Ministry, the Foreign Ministry, the Ministry of Defence and the Ministry of Justice. The President has direct control over these ministries. All other ministries come under the control of the Prime Minister. The president is also in charge of the State Courier Service, the Foreign Intelligence Service, the Federal Security Service, the federal service for control over the trafficking of narcotics and psychotropic substances (formerly the State Committee for Control over the Trafficking of Narcotics and Psychotropic Substances) and the Federal Guard Service. The president will also be in charge of two agencies - the Main Directorate of Special Programmes of the President of the Russian Federation and the

presidential affairs directorate. Along with the streamlining of the government, it is intended to streamline the Presidential Administration.

Foreign minister Igor Ivanov takes over as secretary of the Security Council. Russia's ambassador at the United Nations, Sergey Lavrov, is the new foreign minister. Ivanov's stature has grown considerably since 1998, when he became foreign minister, and his appointment as Security Council secretary may boost this organ's role in coordinating Russian foreign and security policy. Lavrov's appointment as foreign minister does not signify any change in Russia's basic foreign policy line; the foreign ministry will be headed by an individual experienced in presenting Russia's case to foreign audiences. He speaks both English and French.

Big business will not challenge the Putin leadership, and neither will regional leaders. The democratic opposition is too weak to mount a credible challenge; the same can be said of the remaining Yel'tsinites and the CPRF. The bureaucratic-authoritarian regime that emerged towards the end of Putin's first term will consolidate itself. This will carry the danger of an increasing move towards more authoritarian methods of rule. The growth of terrorism (ie Chechen suicide bombers) in Moscow and the rest of Russia since 2002 poses a threat to the credibility of Putin's leadership, and further terrorist incidents will increase the likelihood of a more authoritarian form of rule emerging.

The Next Four Years

The leadership is likely to continue the broad lines of economic reform that it has followed since the beginning of the Putin era. The leadership is sticking to its aim of doubling GDP by the end of the decade. The Putin leadership is still strongly convinced of the benefits of globalisation, and therefore desires to see Russia become a member of the World Trade Organisation (WTO). It will therefore continue to seek to pursue market oriented economic reforms that will enable the country to join the WTO. The streamlining of the government machine is part of the process of developing a more efficient state machine that Putin placed much emphasis on in his December 1999 essay on Russia at the threshold of the millennium.

Immediately after the presidential election, Putin attended a joint meeting of the collegia of the Ministry of Economic Development and Trade and Ministry of Finance. He emphasised the need to end excessive state interference in the economy and the need for further market reform, although he wished to ensure that market reforms would not be implemented to the detriment of citizens' living standards. The Ministry of Economic Development and Trade has drawn up a four-year programme to halve the number of people on incomes below subsistence level, at present 20.4 per cent. Over the past five years this figure has gone down by 10 percentage points. Putin has now ordered the ministry to reach a 10 per cent level of poverty by 2007.

Tax reform has emerged as one the priorities of the second Putin administration. Russia already has the lowest rate of income tax in Europe (13%). In 2005 the rate of uniform social tax is expected to come down from its present level of 30 per cent, currently seen as an excessive burden on business. In 2006 it is planned to reduce VAT, which is currently set at 18 per cent, with the simultaneous abolition of the preferential 10 per cent rate.

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Apart from those ministers who have lost their jobs as a result of the reduction in the number of ministries, there have been eight changes in the cabinet of ministers. The two key economic posts are those of the Ministry of Economic Development and Trade and Ministry of Finance, and the ministers who head those departments (German Gref and Aleksey Kudrin respectively) remain in charge. Putin appears to be satisfied with the work of both of these men. The following ministries have new heads: Communications and Information Technology, Education and Science, Health and Social Reform, Industry and Energy, Internal Affairs, Natural Resources, Transport and Communications.

What Will Happen In 2008?

Russia's next presidential elections are scheduled to take place in 2008. Under the constitution, Putin will be required to step down, as he will have held office for two consecutive terms, the maximum permitted by the constitution. However, Putin will be only 56 years old in 2008, a relatively young age for a national leader. He is still likely to be in good health, barring any unexpected developments over the next four years. This raises the question of what Putin will do in 2008. Will he seek some sort of legal fudge in order to remain in office? There was no precedent in the Soviet system for leaders voluntarily stepping down (both Khrushchev and Gorbachev were forced to do so). Yel'tsin stepped down as president in December 1999 and enabled a smooth transition of power to Putin to take place.

However, Yel'tsin's resignation cannot be taken as evidence that a post-Soviet Russian president will necessarily always step down willingly and retire from executive office. Presidential successions in the rest of former Soviet Union (the Baltic states apart) are also devoid of encouraging examples of smooth power transitions. There were presidential changes in Belarus and Ukraine in 1994, in Armenia in 1998 and Moldova in 2001, but otherwise presidents seem to be extremely unwilling to contemplate ever resigning from their presidencies.

It is possible that an attempt may be made to amend the constitution again in order to extend the presidential term. Depending on the circumstances at the time, Putin may perhaps seek to go outside the constitution and argue that special circumstances make it necessary for him to extend his presidency, and seek endorsement for this in a referendum.

Putin could do what Yel'tsin did in 1999, that is, appoint the man he would like to see as next president as prime minister a few months before his second term is due to expire, and this man would run as the Kremlin candidate in the 2008 presidential election. With the resources of the Kremlin at his disposal, it is quite likely that the prime minister would win. Being prime minister for a few months prior to the elections would raise this man's profile. It is unlikely that Putin would see Mikhail Fradkov as his successor. A possible candidate could be current defence minister Sergey Ivanov, who, like Putin, worked in intelligence. Ivanov was born in 1953, making him one year younger than Putin.

Either move could be seen as further confirmation that Russia's "managed democracy" is more managed than democratic. Committee-2008, a group of liberals which was formed just before the March 2004 presidential election with the aim of ensuring that the elections in 2008 will be fair, would protest against such moves, but it is difficult to see that they could make much headway against the Kremlin. Committee-2008 would effectively be fighting the Russian state; a David-Goliath

confrontation which the latter would very probably win. If Putin has become extremely unpopular by 2008, and an attractive anti-Kremlin challenger has emerged, then the Kremlin could face an enormous challenge, as it may run the risk of losing, a problem which it has not so far had to face. The temptation in such a case either to prolong Putin's term, postpone elections, or falsify the results would be extremely strong.

ENDNOTES

¹ See Dr Mark A Smith, [Putin's Regime: Administered Democracy](#), UK Defence Academy CSRC, E108, June 2000.

² Boris Nemtsov, Vladimir Kara-Murza, 'About the threat of Putinism', [Nezavisimaya Gazeta](#), 22 March 2004.

³ Liliya Shevtsova, 'Prezident Putin oformlyayet sobstvennyy politicheskiy rezhim: chto iz etogo sleduyet' [Moscow Carnegie Centre Briefing](#), January 2004.

APPENDIX 1

Russian Government following reshuffle on 9 March 2004.

President: PUTIN, Vladimir Vladimirovich

Prime Minister: FRADKOV, Mikhail Yefimovich

Deputy Prime Minister: ZHUKOV, Aleksandr Dmitriyevich

Ministers

Minister of Agriculture: GORDEYEV, Aleksey Vasilyevich

Minister of Civil Defence, Emergencies and dealing with consequences of Natural Disasters: SHOYGU, Col-Gen Sergey Kuzhugetovich

Minister of Communications and Information Technology: SOKOLOV, Aleksandr Sergeyeovich

Minister of Defence: IVANOV, Sergey Borisovich

Minister of Economic Development and Trade: GREF, German Oskarovich

Minister of Education and Science: FURSENKO, Andrey Aleksandrovich

Minister of Finance: KUDRIN, Aleksey Leonidovich

Minister of Foreign Affairs: LAVROV, Sergey Viktorovich

Minister of Health and Social Reform: ZURABOV, Mikhail Yuryevich

Minister of Industry and Energy: KHRISTENKO, Viktor Borisovich

Minister of Internal Affairs: NURGALIYEV, Rashid Gumarovich

Minister of Justice: CHAYKA, Yuriy Yakovlevich

Minister of Natural Resources: TRUTNEV, Yuriy Petrovich

Minister of Transport and Communications: LEVITIN, Igor Yevgenyevich

Head of the Government Administration, Minister of the Russian Federation: KOZAK, Dmitriy Nikolayevich

APPENDIX 2 - Personality Profiles

Prime Minister Mikhail Fradkov

Born September 1950. Graduated from Moscow Instrument Institute 1972. Graduated from the Academy of Foreign Trade 1981. From 1973-75 he worked in the trade section of the Soviet Embassy in India, and from 1975 in the foreign trade organisation Tyazhpromeksport. From 1984 he worked in Soviet Ministry of Foreign Trade. From 1991-92 he was a senior adviser at the Russian Representation at the UN in Geneva. From 1993-97 he was the first deputy minister of trade. In 1997 he became the acting minister of trade, and later became minister of trade. He left the government in April 1998 and joined the company Ingostrakh as director. In May 1999 he once again became minister of trade. In May 2000 he was appointed first deputy secretary of the Security Council, dealing with economic issues. In March 2001 he was appointed head of the Tax Police. In March 2003 he was appointed Russia's representative to the European Union with the rank of minister. He speaks English and Spanish.

Deputy Prime Minister Aleksandr Zhukov

Born June 1956. Graduated from Moscow University in mathematics and economics in 1978. From 1980-91 he worked in the hard currency administration of the USSR Ministry of Finances. In 1991, he received a postgraduate diploma from Harvard University as a specialist in the field of currency, taxation and customs legislation. He was elected to the Duma in 1993, and re-elected in 1995, 1999, and 2003. He was a member of the Regions of Russia faction and served as deputy chairman and then (2000) chairman of the Duma committee on the budget and taxation, banks and finances. In December 2003 he was elected as one of the first deputy chairmen of the Duma. He speaks English.

Foreign Minister Sergey Lavrov

Born March 1950. Graduated from MGIMO (Moscow State International Relations Institute) in 1972. He worked in various diplomatic posts and in the foreign ministry. He was appointed as Russia's Permanent Representative to United Nations (New York) in July 1994. Prior to this, he was a deputy foreign minister. In 2001, he was appointed Vice-President of the United Nations Counter-Terrorism Committee.

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